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MILK MARKET INFORMATION
CHATTANOOGA, TENNESSEE, MARKETING AREA
July 1963

Volume 7

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J. B. McCroskey, Market Administrator
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CURRENT SERIAL RECORDS

CHATTANOOGA AREA PRODUCERS WILL BEGIN
FORMING NEW BASES SEPTEMBER 1, 1963

Producers supplying milk to handlers regulated by the Chattanooga Order will begin forming new bases September 1, 1963. The BASE-FORMING PERIOD IS SEPTEMBER 1963 THROUGH JANUARY 1964. According to the base rules of the Chattanooga Order, each producer delivering milk during the base-forming period will have a base computed as follows: Divide the total deliveries made by each producer during the base-forming period (September 1963 through January 1964) by the number of DAYS FOR WHICH DELIVERY IS MADE, OR BY 120, WHICHEVER IS GREATER. Bases will be used during the 1964 base-operating period of March through July 1964. Producers, especially partners, should take precaution to see if their name is that in which they wish the base to be recorded. Failure to do this may result in unnecessary confusion and producers not receiving their full base credit.

MARKET SUMMARY JULY 1963

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.39, Excess Milk \$2.62. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 3.5%.

During July 73.5% of the total producer milk was priced in Class I at \$4.83 per cwt. with a butterfat differential of 7.5 cents and 26.5% priced in Class II at \$2.66 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 73.9% and 64.4% respectively. Base milk was 90.9% and excess milk was 9.1% of the total producer deliveries. All excess milk and 19.1% of base milk was priced in Class II and 80.9% of base milk was priced in Class I.

The daily average deliveries of producer milk during July decreased 1.7% compared with June and increased 9.6% compared with July 1962. The daily average use of Class I milk increased 1.9% compared with June and increased 16.5% compared with July 1962. The daily average base delivered was 87.1% of the established base.

MILK SAMPLES TESTED - Producer Fresh Samples 6,018 - Handler Finished Products 181.

REPORTS FROM THE FOLLOWING POOL PLANTS WERE INCLUDED IN THE
DETERMINATION OF THE UNIFORM PRODUCER PRICES FOR JULY 1963:

<u>Pool Plants</u>	<u>Address</u>
Chattanooga Area Milk Prod. Assn.	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Rossville, Georgia
Home Stores, Inc.	Chattanooga, Tennessee
Mayfield Dairy Farms, Inc.	Athens, Tennessee
Ray Moss Farms, Inc.	Chattanooga, Tennessee
Paramount Dairies, Inc.	Dalton, Georgia
Sealtest Foods-Southern Division	Chattanooga, Tennessee

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>July '63</u>	<u>June '63</u>	<u>July '62</u>
Number of Plants (Pool and Non-Pool)	14	16	14
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>			
Producer Deliveries - Base	479,294	494,678	425,757
- Excess	47,880	41,411	55,075
- Total	527,174	536,089	480,832
% July '63 compared with:	100.0	98.3	109.6
Other Source	19,173	17,266	14,585
Other Order	29,202	33,860	11,102
Total Milk Receipts	575,549	587,215	506,519
% July '63 compared with:	100.0	98.0	113.6
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>			
Class I Uses:			
Fluid Milk	313,958	306,565	273,129
Fluid Skim	18,966	19,126	12,790
Buttermilk	43,175	44,839	36,882
Flavored Milk and Drink	11,959	11,464	9,957
Fluid Creams (Sweet & Sour)	2,679	2,614	2,409
Bulk to Non-Handlers	1,355	767	2,389
Shrinkage Class I	2,097	1,747	678
Other	(226)	(373)	(38)
Total Class I Milk	393,963	386,749	338,196
% July '63 compared with:	100.0	101.9	116.5
Class II Uses:			
Butter	3,071	6,394	3,399
Cottage Cheese	20,976	18,053	18,613
Powdered and Condensed Milk	85,653	103,308	86,701
Ice Cream	57,230	57,561	42,197
Stockfeed	5,370	4,304	4,633
Shrinkage Class II	10,082	7,991	7,368
Other	(796)	2,855	5,412
Total Class II Milk	181,586	200,466	168,323
% July '63 compared with:	100.0	90.6	107.9
Gross Class I Butterfat Pounds	13,718	13,323	11,777
Gross Class II Butterfat Pounds	8,548	9,517	8,239
Total Butterfat Pounds	22,266	22,840	20,016
% Producer Milk of Gross Class I	133.8	138.6	142.2
% Producer Milk priced in Class I	73.5	70.9	69.5

AUGUST 1963 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Aug. '63</u>	<u>July '63</u>	<u>Aug. '62</u>
Basic Formula	\$3.09	\$3.08	\$3.03
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.12)	0.00	(0.18)
Class I Price, 3.5% Butterfat	\$4.72	\$4.83	\$4.60
Per \$ 1090.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: June and July

Supply: Lbs. Producer Milk (June 16,082,676 and July 16,342,381) 32,425,057

Demand: Lbs. Net Class I Milk (June 11,425,208 and July 12,025,172) 23,450,380

Utilization Percentage: Producer milk divided by Class I 138

Standard Utilization Percentage: Range 128-132 132

Net Deviation Percentage: Utilization minus Standard Utilization Plus 6

Supply-Demand Adjustment: 2 cents x 6 percentage points Minus \$0.12

Since the supply in relation to the demand is more than the desired standard, the price is decreased 12 cents per hundredweight (2 cents x 6 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICES FOR JULY 1963

Based on 13 plant reports prior to audit (One plant excluded per §1090.72(a))

	Class %	Milk Pounds	Butterfat Test-%	Cwt.Price @ Test	Value
Gross Class I		11,731,085	3.477		
Less Other Source		194,679	2.603		
Producer Milk Class I	72.9	11,536,406	3.492023	\$4.824017	\$556,518.19
Gross Class II		5,563,723	4.694		
Less Other Source		1,277,455	2.554		
Producer Milk Class II	27.1	4,286,268	5.332074	3.887490	166,628.24
TOTAL PROD. (Cl. I + Cl. II)	100.0	15,822,674	3.990482		723,146.43
Add Fractional Adjustment					.06
Add Compensatory Payment Value					298.67
Add Overage Value					-0-
Add Inventory Reclassification Value					139.25
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					8,378.11
TOTAL VALUE AT TEST		15,822,674	3.990482		731,962.52
Less Test Over 3.5% @ 7.2¢ per point		15,822,674	.490482	0.353147	55,877.30
TOTAL PRODUCER MILK VALUE AT 3.5% TEST		15,822,674	3.5		676,085.22
		Pounds	Price 3.5%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,426,427	\$2.66	\$37,942.96	
Total Excess Producer Milk		1,426,427	2.66	37,942.96	
Less Prod.-Settlement Fund Res. @ 4¢		1,426,427	.04		570.57
UNIFORM EXCESS PRICE f.o.b. PLANT - 3.5%		1,426,427	2.62		37,372.39
Value of Base Milk (Total less Excess)		14,396,247	4.432699		638,142.26
Less Producer-Settlement Fund Reserve		14,396,247	.042699		6,147.05
UNIFORM BASE PRICE f.o.b. PLANT - 3.5%		14,396,247	\$4.39		\$631,995.21

JULY 1963 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
 BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.03	\$2.26	4.0	\$4.75	\$2.98	5.0	\$5.47	\$3.70
3.05	4.066	2.296	4.05	4.786	3.016	5.05	5.506	3.736
3.1	4.102	2.332	4.1	4.822	3.052	5.1	5.542	3.772
3.15	4.138	2.368	4.15	4.858	3.088	5.15	5.578	3.808
3.2	4.174	2.404	4.2	4.894	3.124	5.2	5.614	3.844
3.25	4.21	2.44	4.25	4.93	3.16	5.25	5.65	3.88
3.3	4.246	2.476	4.3	4.966	3.196	5.3	5.686	3.916
3.35	4.282	2.512	4.35	5.002	3.232	5.35	5.722	3.952
3.4	4.318	2.548	4.4	5.038	3.268	5.4	5.758	3.988
3.45	4.354	2.584	4.45	5.074	3.304	5.45	5.794	4.024
3.5	4.39	2.62	4.5	5.11	3.34	5.5	5.83	4.06
3.55	4.426	2.656	4.55	5.146	3.376	5.55	5.866	4.096
3.6	4.462	2.692	4.6	5.182	3.412	5.6	5.902	4.132
3.65	4.498	2.728	4.65	5.218	3.448	5.65	5.938	4.168
3.7	4.534	2.764	4.7	5.254	3.484	5.7	5.974	4.204
3.75	4.57	2.80	4.75	5.29	3.52	5.75	6.01	4.24
3.8	4.606	2.836	4.8	5.326	3.556	5.8	6.046	4.276
3.85	4.642	2.872	4.85	5.362	3.592	5.85	6.082	4.312
3.9	4.678	2.908	4.9	5.398	3.628	5.9	6.118	4.348
3.95	4.714	2.944	4.95	5.434	3.664	5.95	6.154	4.384

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
July '62	\$4.01 ^{2/}	\$4.19	\$2.59	7.2¢	\$4.655	7.5¢	\$2.655	6.7¢
Aug.	4.05	-	-	7.2	4.60	7.5	2.66	6.7
Sept.	4.02	-	-	7.2	4.37	7.5	3.06	6.7
Oct.	4.03	-	-	7.2	4.39	7.6	3.05	6.7
Nov.	4.20	-	-	7.2	4.52	7.5	3.09	6.7
Dec.	4.20	-	-	7.2	4.65	7.5	3.09	6.7
Jan. '63	4.29	-	-	7.2	4.70	7.5	3.09	6.7
Feb.	4.24	-	-	7.2	4.63	7.5	2.76	6.7
Mar.	4.33 ^{2/}	4.42	2.71	7.2	4.75	7.5	2.75	6.7
Apr.	4.23 ^{2/}	4.41	2.66	7.2	4.82	7.5	2.70	6.7
May	4.21 ^{2/}	4.34	2.62	7.2	4.79	7.5	2.66	6.7
June	4.17 ^{2/}	4.29	2.62	7.2	4.82	7.5	2.66	6.7
July	4.23 ^{2/}	4.39	2.62	7.2	4.83	7.5	2.66	6.7
Aug.	-	-	-	-	4.72	7.5	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92° Butter ¢ Lb.	Chi.Area Powders ¢ Lb.	
	Milk Mfg.	Powder	\$-cwt-4%	¢ Lb.	¢ Lb.	\$-cwt-3.5%
July '62	2.655	3.045	2.988	57.96	13.37	3.03
Aug.	2.66	3.05	3.000	57.97	13.27	3.04
Sept.	2.66	3.06	3.000	58.28	13.40	3.06
Oct.	2.66	3.05	3.000	57.96	13.44	3.07
Nov.	2.72	3.09	3.050	57.99	13.76	3.10
Dec.	2.75	3.09	3.081	57.98	13.86	3.11
Jan. '63	2.76	3.09	3.100	57.97	13.92	3.10
Feb.	2.76	3.08	3.100	57.94	13.95	3.10
Mar.	2.75	3.12	3.088	57.97	14.07	3.09
Apr.	2.70	3.09	3.031	57.97	13.97	3.08
May	2.66	3.09	3.000	57.97	13.94	3.07
June	2.66	3.12	3.000	57.97	14.04	3.08
July	2.66	3.12	3.000	57.97	14.03	3.09

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}			Deliveries Per			Prod. Milk Test%
	No.	Total	Class I	Class I	Total	Base	No.	Farm----	Pounds	
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base Exc.	
July '62	14	506,519	338,196	334,149	480,832	425,757	677	710	629 81	4.05
Aug.	14	521,314	361,566	357,051	496,326	-	677	733	- -	4.04
Sept.	14	528,521	385,941	381,658	508,196	-	673	755	- -	4.09
Oct.	14	542,005	398,123	393,583	525,753	-	673	781	- -	4.29
Nov.	14	515,320	408,567	403,451	500,139	-	672	744	- -	4.41
Dec.	14	513,390	372,053	367,468	496,731	-	668	744	- -	4.41
Jan. '63	15	508,261	389,638	383,143	493,018	-	666	740	- -	4.36
Feb.	15	543,770	407,032	400,638	497,455	-	694	717	- -	4.32
Mar.	16	522,751	399,493	385,841	481,462	457,343	661	728	692 36	4.17
Apr.	16	638,439	435,455	429,486	581,762	523,349	706	824	741 83	4.02
May	16	608,217	424,730	418,446	561,115	517,411	701	800	738 62	4.01
June	16	587,215	386,749	380,119	536,089	494,678	700	766	707 59	3.99
July	14	575,549	393,963	387,683	527,174	479,294	697	756	688 68	3.99

^{1/} Excludes Premiums^{2/} For Statistics^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I